

input costs over time, attract more advertising revenue, and pursue greater investment in upgrades and advanced services.

7. Post-transaction, Charter will be able to market across a wider, more contiguous geographic region, allowing us to compete more effectively with DBS providers, telco video providers, ILECs, and wireless providers. A mass media campaign within a defined mass media market (whether television, radio, or newspaper) is cost-effective only if there is a sufficient number of potential subscribers located within that market. The geographic dispersion of Charter's current cable systems limits the number of potential subscribers within many mass media markets, and we are today able to efficiently use mass media in only approximately 50 percent of our footprint. As a result of the Transactions, and because of the geographic proximity of SpinCo's systems to Charter's systems and the financial incentives for the two companies to work together, Charter anticipates that it and SpinCo will be able to cooperate to use mass media in over 95 percent of their footprints. This improved marketing will make the company a stronger competitor, which will facilitate greater investment in products and services.

8. A denser footprint will also improve the efficiency of Charter's workforce. Filling in gaps in our current footprint increases our density in local markets, allowing us to centralize and better deploy service personnel and equipment. This increased geographic density, in turn, will bring cost efficiencies and also reduce response times to locations for installations, service calls, disconnects, and plant maintenance.

9. Charter's rationalized footprint will also improve our network by reducing the cost of delivering services over fixed networks, which will facilitate additional investment in the physical infrastructure and associated labor necessary to deliver increasingly advanced technologies. For example, a denser footprint (combined with greater scale) will reduce the per

household cost of ingesting and encoding local content, thereby reducing the cost of delivering services in cloud-based IP format. This will facilitate our ongoing transition of services to IP.

10. The Transactions will also increase Charter's scale. After the Asset Sale and Exchange, Charter's size will increase by approximately 30 percent; the number of video customers Charter serves will grow from approximately 4.4 million to approximately 5.8 million. This increased scale, in turn, will enable Charter to spread those fixed costs over more customers, enhancing Charter's ability and incentive to invest in the development and deployment of innovative new technologies.

**B. Benefits to Residential Customers**

11. The geographic rationalization and enhanced scale of Charter's systems resulting from the Transactions will enable Charter to improve performance and deliver innovative new video, broadband Internet, and voice services to our residential customers.

12. Video Services. Residential video subscribers will benefit from Charter's increased ability to undertake large fixed-cost investments in innovative new video technologies and the necessary infrastructure to support those technologies. Charter has already demonstrated a strong commitment to such investment, and we will leverage our enhanced scale and expanded scope to build upon our current endeavors.

13. Since early 2012, Charter has invested over \$3 billion in infrastructure and technology. As a result, we are on track to upgrade our existing facilities to all-digital by the end of 2014. Charter plans to upgrade the former TWC systems we will acquire from Comcast to all-digital within two years following the Transactions' closing. We anticipate investing substantially in the TWC infrastructure to bring many other Charter benefits to the acquired TWC systems as well.

14. Charter continuously invests in improving its video offering, today offering consumers over ten thousand VOD content options, hundreds of HD channels (including the most HD in many markets), the company's unique HD Auto Tune function, which automatically tunes customers with HD receivers to the HD version of the channel requested, and the free Charter TV App, which allows customers to watch over 130 live TV channels on their mobile devices.

15. Additionally, we recently began market trials on a new cloud-based user interface for our TV platform ("Sky UI"), which uses state-of-the-art technology to create a two-way interactive, customizable user experience.

16. Charter is also currently engaged in an effort to deploy fully functional two-way digital set-top boxes on every residential outlet. The economies of scale resulting from the Transactions should significantly reduce the cost of deploying these boxes.

17. Broadband Internet Services. Charter subscribers and legacy TWC subscribers alike will benefit from Charter's industry-leading broadband Internet services, as well as our increased ability to invest in network improvements.

18. Thanks to our prior investments in network infrastructure, Charter offers residential customers industry-leading broadband Internet services and consistently ranks among the top ISPs for broadband speeds. Soon Charter will have deployed DOCSIS 3.0 throughout our entire broadband footprint. By the end of 2014, we will have increased our *base* residential broadband downstream speed offering from 30 Mbps to either 60 Mbps or 100 Mbps for 94 percent of homes passed, for no additional fee. Charter also recently increased broadband Internet speeds for Charter Business "Essentials30" and "Pro50" customers to 60 Mbps and 80 Mbps, respectively, also for no additional charge.



19. Charter has received recognition for offering the fastest in-home Wi-Fi service among its competitors, and we are now launching a next-generation 802.11AC-based wireless router. Charter's increased scale and greater geographic density resulting from the Transactions will strengthen Charter's ability to invest in these and other next-generation products going forward, and reduce the costs of deploying new products throughout our customer base.

20. Voice Services. Charter currently provides advanced voice services to approximately 2.3 million residential customers (and 152,000 commercial customers), primarily using VoIP. Charter's advanced voice services include, among other things, unlimited local and long distance calling to the United States, Canada, Puerto Rico, the U.S. Virgin Islands, and Guam, as well as call waiting, call forwarding, and caller ID services.

21. Notwithstanding Charter's highly attractive voice offerings, Charter faces significant competition from ILECs such as CenturyLink, AT&T, and Verizon, which benefit from their much broader and denser geographic footprints. The increased scale and geographic density of Charter's systems resulting from the Transactions will substantially enhance Charter's ability to compete with these entrenched ILECs.

**C. Benefits to Business Customers**

22. Charter's increased scale and geographic rationalization will particularly benefit business customers. To effectively serve business customers with multiple sites across a geographic region, business service providers typically must have a correspondingly broad and contiguous regional footprint, and one without significant gaps in coverage areas.

23. The Transactions' expansion and rationalization of Charter's systems will make it easier for us to meet the demands of regional and super-regional business customers. By strengthening Charter's presence in the Midwest and Southeast, the Transactions will position Charter to compete more vigorously with incumbent service providers, including CenturyLink,

AT&T, and Verizon, for larger businesses with multiple sites across our expanded service region. Charter's greater scale also will facilitate increased investment in enterprise capabilities, including investment to bring more locations "on net" with deeper fiber connections and to develop and deploy the advanced platforms needed to manage vast amounts of data. Increased investment in business solutions for larger, regional businesses will in turn benefit smaller local businesses, as well as residents, in the form of improved overall network performance and increased product innovations.

24. Furthermore, because SpinCo's systems will largely be adjacent to ours, the two companies will have the ability and incentive to work together through the services agreement between SpinCo and Charter ("SA") to offer high-quality services to regional and super-regional businesses across a broader geographic footprint.

**D. Benefits to Advertisers**

25. Charter's geographically aligned footprint will create opportunities for advertising customers to address broader regional audiences on multiple screens, including mobile devices, and across multiple platforms, including video on demand and online. Greater scale and a larger, more rationalized footprint will enable advertisers to reach more customers and improve the business case for investment in developing more advanced advertising services, such as addressable advertising and dynamic ad insertion for VOD, providing advertisers with more cost-effective methods of reaching targeted audiences.

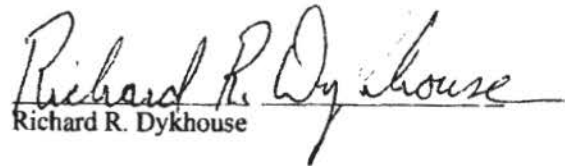
**E. Charter Could Not Achieve the Same Benefits Without The Transactions.**

26. Cable companies have attempted for years to partner in delivering services to residents and businesses with only marginal success, given the inherent difficulties in managing partnerships, aligning incentives, coordinating investment and delivery, and overcoming geographic and technological hurdles. By acquiring former TWC systems, Charter can achieve

the scale partnerships aspire to achieve, while avoiding the many pitfalls of partnering with unaffiliated companies.

I declare under penalty of perjury of the laws of the United States of America that the foregoing statements are true and correct.

Executed this 4th day of June, 2014, in Stamford, CT.

  
Richard R. Dykhous